



DEPARTMENT OF  
**FINANCE**

ARNOLD SCHWARZENEGGER, GOVERNOR

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April 18, 2008

Ms. Heather J. Fong, Chief of Police  
San Francisco Police Department  
850 Bryant Street  
San Francisco, CA 94103

Dear Ms. Fong:

**Final Audit Report—San Francisco Police Department, 2006 Comprehensive Traffic Safety Program, Grant Agreement PT0628**

The Department of Finance, Office of State Audits and Evaluations (Finance), has completed its audit of the San Francisco Police Department's (Department) Comprehensive Traffic Safety Program, grant number PT0628, for the period October 1, 2005 through June 30, 2007. The audit was performed under an interagency agreement between Finance and the California Office of Traffic Safety. Our audit included a review of grant revenue and expenditures, internal control, and compliance with grant contract provisions.

The enclosed report is for your information and use. Because there were no audit findings or issues requiring a response, we are issuing the report as final. In accordance with Finance's policy of increased transparency, this report will be placed on our website.

We appreciate the assistance and cooperation of the Department. If you have any questions regarding this report, please contact Richard R. Sierra, Manager, or Zach Stacy, Supervisor, at (916) 322-2985.

Sincerely,

David Botelho, Chief  
Office of State Audits and Evaluations

Enclosure

cc: Captain Gregory Corrales, San Francisco Police Department  
Mr. William H. Terrell, Assistant Director of Administration, Office of Traffic Safety

# A GRANT AUDIT

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City and County of San Francisco Police Department  
2006 Comprehensive Traffic Safety Program  
Grant Agreement PT0628  
For the Period October 1, 2005  
through June 30, 2007

Prepared By:  
Office of State Audits and Evaluations  
Department of Finance

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The Department of Finance, Office of State Audits and Evaluations, performed this grant audit under an interagency agreement with the Office of Traffic Safety (OTS). The purpose of the audit was to determine whether the San Francisco Police Department (Department) complied with OTS's grant agreement number PT0628.

The audit objectives were as follows:

- To determine whether the Department expended federal funds in accordance with the terms of the grant agreement and those provisions of law or regulations that could have a material effect on the financial statements or the grant.
- To determine whether the Department's internal control allows for the accurate and timely development of accounting data needed to produce the *Statement of Revenue and Expenditures*.
- To verify the Department's compliance with applicable laws, regulations, and contract requirements.
- To provide, as necessary, recommendations regarding the eligibility of funding and improving internal control.

This report is intended for the information and use of Department and OTS management, those charged with governance, and others within the Department, and is not intended to be and should not be used by anyone other than these specified parties. However, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

## **STAFF:**

Richard R. Sierra, CPA  
Manager

Zach Stacy  
Supervisor

Jake Liddicoat



## INDEPENDENT AUDITOR'S REPORT

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Ms. Heather J. Fong, Chief of Police  
San Francisco Police Department  
850 Bryant Street  
San Francisco, CA 94103

We have audited the accompanying *Statement of Revenue and Expenditures* (Statement) of the City and County of San Francisco Police Department (Department) in accordance with the Office of Traffic Safety's (OTS) grant agreement PT0628 for the period October 1, 2005 through June 30, 2007. The Statement was prepared from the Department's records and is the responsibility of its management. Our responsibility is to express an opinion on the Statement based on our audit.

We conducted our audit in accordance with *Generally Accepted Government Auditing Standards* (GAGAS), issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to provide reasonable assurance as to whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Statement was prepared, as described in Note 3, for the purpose of determining the Department's fiscal compliance with the requirements of grant agreement PT0628. The Statement is not intended to be a presentation of the Department's total revenue and expenditures.

In our opinion, the Statement referred to above presents fairly, in all material respects, the revenue and expenditures for grant agreement PT0628 for the period October 1, 2005 through June 30, 2007, in conformity with accounting principles generally accepted in the United States of America.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Department's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of the Department's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Department's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Department's financial statements that is more than inconsequential will not be prevented or detected by the Department's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Department's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## **Compliance**

As part of obtaining reasonable assurance about whether the Department's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Generally Accepted Government Auditing Standards*.

This report is intended solely for the information and use of Department and OTS management, those charged with governance, and others within the Department, and is not intended to be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



David Botelho, CPA  
Chief, Office of State Audits and Evaluations  
(916) 322-2985

March 18, 2008

# STATEMENT OF REVENUE AND EXPENDITURES

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**City and County of San Francisco Police Department  
Comprehensive Traffic Safety Program  
Grant Agreement PT0628  
For the Period October 1, 2005 through June 30, 2007**

	<u>Reimbursed</u>	<u>Audited</u>	<u>Questioned</u>
Revenue:			
State Grant	\$556,995	\$556,995	\$ 0
Expenditures:			
Personnel	4,037	4,037	0
Equipment	552,196	552,196	0
Other Direct Costs	358	358	0
Indirect Costs	<u>404</u>	<u>404</u>	<u>0</u>
Total Expenditures	<u>556,995</u>	<u>556,995</u>	<u>0</u>
Excess of Revenue over Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The accompanying notes are an integral part of this statement.

# NOTES TO THE STATEMENT OF REVENUE AND EXPENDITURES

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**City and County of San Francisco Police Department  
Comprehensive Traffic Safety Program  
Grant Agreement PT0628  
For the Period October 1, 2005 through June 30, 2007**

**NOTE 1      Definition of the Reporting Entity**

The City and County of San Francisco (City), combined by the Consolidation Act of 1856, is governed by an elected Board of Supervisors (Board) exercising the powers specified by California Government Code Section 6500, et seq., and the laws of California governing general law cities. The City's reporting entity includes all significant organizations and departments over which the Board of Supervisors exercises oversight and budgeting responsibilities. The City's Police Department (Department) had general responsibility for this grant project.

**NOTE 2      Program Information**

The Business, Transportation, and Housing Agency's Office of Traffic Safety (OTS) is charged with the responsibility of obtaining and distributing federal funds in an effort to carry out the direction of the National Highway Safety Act. The federal funds are designed to mitigate traffic safety problems as defined by the Highway Safety Plan. Currently, there are eight program priority areas earmarked for grant funding: Alcohol and Other Drugs, Occupant Protection, Pedestrian and Bicycle Safety, Emergency Medical Services, Traffic Records, Roadway Safety, Motorcycle Safety, and Police Traffic Services.

**NOTE 3      Significant Accounting Policies**

**A.      Basis of Presentation**

The *Statement of Revenue and Expenditures* (Statement) was prepared from the Department's accounts and financial transactions. The Statement summarizes the Department's revenue and expenditures



pertaining to grant agreement PT0628 for the period October 1, 2005 through June 30, 2007. This statement is not intended to represent all of the Department's revenue and expenditures.

**B. Basis of Accounting**

The Department's accounts are maintained on the modified accrual basis and in accordance with the principles of fund accounting. Under the modified accrual basis, revenue is recorded as it becomes measurable and available, and expenditures are recorded at the time the liabilities are incurred.

**NOTE 4 Description of Grant Agreement PT0628**

The OTS awarded the City a \$557,370 grant for the period October 1, 2005 through June 30, 2007. The grant required the San Francisco Police Department to implement a comprehensive traffic safety program. This grant funded 19 new radar-equipped motorcycles. Officers were trained in radar enforcement in order to conduct an aggressive citywide enforcement program. The emphasis was on speed, seat belt and pedestrian enforcement; and education. Education was also provided in schools on program goals. With OTS's approval, grant funds originally designated for global information and collision systems were redirected for the purchase of four lidar guns.

# DOF Audit Details and Review

GRANT #	AUDIT #	AGENCY	YEAR AUDIT CONDUCTED	AUDIT STATUS	DATE FINAL REPORT	DATE CLOSEOUT LETTER MAILED	RESOLUTION DATE
PT0628	1	San Francisco	2007	Audit Closed	4/18/2008		4/24/2008

ITEM #	DATE	FINDINGS	RESPONSE
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1	4/18/2008	NO FINDING NOTED	
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